

FLEET MAINTENANCE FUND**Public Works Department****PROGRAM OVERVIEW**

Fleet Maintenance supports activities related to procuring and maintaining the City's fleet of vehicles including approximately 239 vehicles and 300 other pieces of public safety, emergency, and seasonal response equipment used by City departments. As an internal service fund, Fleet Maintenance is supported by all other City departments except the Fire Department based on vehicle use and includes a reserve for the future replacement of fully depreciated vehicles and equipment. The maintenance and replacement of Fire equipment is accounted for within the Fire Department budget and the Fire Equipment Reserve Fund.

BUDGET OVERVIEW**REVENUES**

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|-----------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Beginning Fund Balance | \$2,026,766 | \$3,612,308 | \$4,302,415 | \$5,163,462 |
| Maintenance & Operation Transfers | 2,086,751 | 2,022,145 | 1,936,515 | 2,347,816 |
| Replacement Transfers | 2,126,857 | 2,417,749 | 2,417,749 | 1,297,466 |
| Interest Earnings | 311,629 | 316,000 | 180,938 | 209,826 |
| Other Revenues | 149,844 | 163,800 | 55,800 | 72,999 |
| TOTAL REVENUES | \$6,701,847 | \$8,532,002 | \$8,893,417 | \$9,091,569 |

EXPENDITURES

| | 2001-2002 Actual | 2003-2004 Budget | 2003-2004 Estimate | 2005-2006 Budget |
|--------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Salary and Benefits | \$945,652 | \$985,845 | \$1,032,329 | \$1,067,048 |
| Supplies: | | | | |
| Fuel | 185,866 | 312,148 | 339,679 | 485,547 |
| Other Supplies | 473,572 | 512,632 | 398,690 | 424,677 |
| Professional/Legal | \$174,159 | \$203,426 | \$182,543 | \$209,480 |
| Capital Equipment | 1,090,480 | 1,452,048 | 1,415,563 | 1,427,849 |
| Interfund Transfer - Insurance | 238,526 | 361,150 | 361,151 | 448,114 |
| Equipment Replacement Reserve | 0 | 4,704,753 | 0 | 5,028,854 |
| TOTAL EXPENDITURES | \$3,108,255 | \$8,532,002 | \$3,729,955 | \$9,091,569 |
| TOTAL FTEs | 6.66 | 6.66 | 6.66 | 6.66 |

MAJOR CHANGES BETWEEN 2003-2004 BUDGET AND 2005-2006 BUDGET

The Fleet Management budget is projected to increase by approximately \$560,000 or 6.6% for the biennium due to the rising cost of fuel, higher salary and benefit costs for existing employees and more money being set aside for the replacement of the City's fleet in accordance with established replacement schedules. It is important to note that the fuel budget is forecasted to rise dramatically due to the escalating price of oil. Oil at \$50 per barrel is at a record high and has led to higher charges for gasoline and diesel fuel needed to operate the City's fleet.

DESCRIPTION OF PROGRAM INCREASES (REDUCTIONS)**Hoist Replacement, \$18,800**

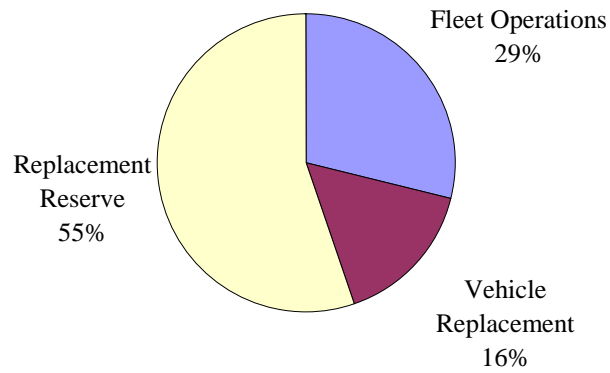
The current hoist has been in service at the MOC for approximately 27 years and does not possess the necessary safety and environmental features of more current models. Especially important due to the close proximity of the MOC to City Well No. 5 is the lack of secondary fluid containment for hydraulic oil on this hoist. It is estimated that contamination of the groundwater would take less than 6 months to reach Well No. 5. Retro-fitting this hoist is not practical given the age of the asset, while replacing the hoist will make the City a leader in protecting the groundwater and be in accordance with the Wellhead Protection Ordinance.

2003-2004 ACCOMPLISHMENTS

- Maintained a growing fleet with current staff.
- Facilitated in the replacement of 43 vehicles and equipment.
- Participated in the replacement of one vehicle hoist to accommodate ever-increasing truck size and provide for safety.

2005-2006 WORKPLAN INITIATIVES

- Maintain level of fleet service and explore additional efficiencies in fleet maintenance.
- Replace another old vehicle hoist.
- Facilitate the replace of approximately 35 vehicles and equipment.

SUMMARY OF DEPARTMENT RESOURCES**2005-2006 Budget \$9,091,569****By Division/Program Area****By Category of Expense**